

351.1
33g

ST.



OFFICE OF THE GOVERNOR

Budget and Program Planning

THE GROWTH
OF
MONTANA STATE GOVERNMENT

Thomas L. Judge, Governor
Michael G. Billings, Director





THE GROWTH OF MONTANA STATE GOVERNMENT

Prepared by:
Planning Division
Office of Budget and Program Planning

Michael G. Billings
Director

Samuel T. Hubbard
Deputy Director for Planning

John S. Fitzpatrick
Research Manager

August 20, 1976

INTRODUCTION

This report examines the growth of Montana state government. Recently, government growth at all levels has become a highly visible issue both in Montana and on the national scene. Citizens, politicians, newspaper editors, and others have decried the proliferation of government structures, employment, and expenditures.

Government, at all levels, has grown. But, growth in government is a natural concomitant to growth and change in society as a whole. Both the United States and Montana are larger, more complex entities than they were five, ten, or fifteen years ago and their government structures have reacted accordingly. The modernization of our way of life has brought with it a highly mobile population. As people live in one community and work, shop, and recreate elsewhere, there is an increasing demand for state and regional services. Also, today people are much more dependent on services provided by others, including public services such as transportation, health protection, air and water quality control, and economic assistance.

In assessing government growth, be it at the state, federal, or local level, it is important not to limit the examination to growth per se. Rather, examination must ask when, where, and why growth has occurred. To answer these questions, this report will link growth in Montana state government with changes in the larger social and economic environment. Three premises which reflect consideration of this environment underpin the analysis of this study. The premises include:

1. Growth in state government employment should be related to the growth in total employment and population in the state.
2. Increases in state government tax collections should be related to the growth of the state's economy. The most widely used and readily available economic indicator is total personal income. It is state government's objective to maximize revenue from sources such as investment earnings, federal aid, etc., which do not take dollars out of the taxpayers pocket.
3. Increases in state government expenditures should be related to the size of the populace being served. Adjustments must also be made for inflation which reduces the amount of goods and services each public dollar can buy.

The report will also examine government growth in other states and compare their growth patterns with those of Montana. The states chosen for comparison are from two commonly used regional groupings. Region VIII - Montana, Colorado, North Dakota, South Dakota, Utah, and Wyoming - is a Federally designated planning and program area used by all Federal departments for administration of state and local assistance. The Mountain Census Division - Montana, Arizona, Colorado, Idaho, Nevada, New Mexico, Utah and Wyoming - is the regional grouping used by the U. S. Bureau of the Census.

Data for this report were primarily taken from the U. S. Bureau of the Census Government Finance Series, Montana Executive Budgets, and publications of the Montana Employment Security Division. Census data has been used because it is based on standard functional categories which allow comparisons between years. Employment and financial data from state sources is presented by state agency or organizational unit and must be adjusted for organizational changes to allow comparisons between years. Also, no comprehensive sources of state level data exist for periods prior to centralized personnel and financial control (the State Budgeting and Accounting System produced the first Financial Report for FY71-72, and the University System is still not completely incorporated in the system). Finally, Census data had to be used when comparing Montana growth to other states.

It is essential to understand the difference between FTE (full-time equivalent) employment and total employment (number of persons on the payroll). FTE employment is a computed statistic representing the number of full-time employees that could have been employed if all personnel were engaged on a full-time basis (40 hour week). It is calculated by dividing the total hours worked by full and part-time employees during the year by 2,080, the total number of hours of work in a year counting holidays (40 hours per week x 52 weeks). Thus, one FTE can equal one full-time employee working 52 weeks per year, four part-time employees each of whom works three months per year ($.25 \text{ FTE} \times 4 \text{ employees} = 1.00 \text{ FTE}$), 52 employees each of whom works one week per year or, any other of a number of possible combinations. Each FTE can be subdivided into any number of "positions" each of which could be occupied by a state employee. Tabulations of state employment portray the number of payroll positions without regard to whether the position is a full or part-time job. This method overestimates actual state employment since many of the part-time

positions are vacant much of the year. For example, during May, 1976, the Montana Department of Natural Resources and Conservation (DNR&C) was authorized 462.66 FTE's divided into 631 positions. The 631 job slots were further subdivided into 365 full-time and 266 part-time positions. Twenty (20) full-time and 184 part-time positions were vacant.¹ DNR&C performs a great deal of work which is seasonal in nature such as fire protection, ditchriding, slash and brush disposal, etc. Temporary summer jobs can add 150 or more employees to DNR&C payroll. During the year the number of employees attached to the agency fluctuates.

Similar situations apply to all state agencies. The potential number of employees (i.e. positions) is greater than authorized FTE's or actual employment at any point in time. When agency position rosters are added together and distinctions drawn among full-time and part-time employees and FTE's significant discrepancies may appear. The 1975 census report of public employment in Montana illustrates these discrepancies as shown in the table below.

Table 1
Montana State Government Employment
October 1975

Total Employees	18,920
Full-Time Employees	13,787
Part-Time Employees	5,123

Source: U.S. Bureau of the Census, Public Employment in 1975, GE 75 No. 1, Table C.

Finally, state data on FTE are all taken from the executive budget recommendation for the year indicated and do not reflect changes by a new Governor taking office or by the legislature. The presently approved FTE total of 14,488 is higher than the 14,004 recommended in the 1977 fiscal year budget due to additions by the legislature and those approved by budget amendment.

¹ Agency Roster Report, No. 2649.1, May 6, 1976; Position Control Report, No. 2427.1, May 13, 1976.

Population and Government Growth

The growth in state government should be directly related to the growth of the public being served. As population increases so does the demand and necessity for services provided by governmental units.

During the 1960's, Montana's population grew very little. From 1960 to 1970, the state population increased by 19,642 or, 2.9%, to reach a total of 694,409 in 1970. In the first five years of the 1970's, population grew much faster. According to 1975 estimates,¹ prepared jointly by the Bureau of Business and Economic Research at the University of Montana and the U. S. Bureau of the Census, Montana's population had increased to 748,000. This represents an annual increase of 1.5% per year compared with .3% during the 1960's.

Table 2
Montana Population

1960 Population	674,767
1970 Population	694,409
1960-1970 Population Change	19,642
Rate of change per year	.3%
1970 Population	694,409
1975 Population (estimated)	748,000
1970-1975 Population Change	53,591
Rate of change per year	1.5%

Source: U.S. Department of Commerce, Bureau of the Census, Number of Inhabitants.
Final Report PC(1) - A28 Montana.

In Montana, population growth has not been closely related to growth in state government. The Executive Budget Books reported a total of 7,514.57 FTE in fiscal year 1960 compared with 10,958.42 FTE ten years later. The addition of 3,443.85 FTE to state government rolls represents

¹ U.S. Department of Commerce, Bureau of the Census, Population Estimates and Projections, Series P-25
No. 615, November 1975.

a 45.8% increase during a time period when state population was growing by only 2.9%. By 1975, state government FTE reached 13,047.48 an increase of 2,089.06 FTE over the 1970 level. However, the rate of FTE growth slowed during the 1970's. The 1975 FTE level is 19% greater than the 1970 level. Population increased 7.7% during the same period.

Table 3

Comparison of Population and State Government FTE Growth

	State Population Growth 2.9%	State Government FTE Growth 45.8%
1960-1970 Population Growth		
1970-1975 Population Growth	7.7%	19.1%

1960-1970 (rate per year)	.3%	4.6%
1970-1975 (rate per year)	1.5%	3.8%

Source: Executive Budget Books for Bienniums FY 1961-1963 to FY 1976-1977;
U.S. Department of Commerce, Bureau of the Census, Numbers of Inhabitants,
Final Report PC(1) - A28 Montana.

Thus, relative to the 1960's government growth in the 1970's is matching population growth in Montana much more closely. Compared with the period 1960 to 1970, the first five years of the 1970's have seen an acceleration of population growth coupled with a decline in the rate of state government increase.

Executive FTE Recommendations

In 1960, Republicans Donald G. Nutter and Tim Babcock were elected Governor and Lieutenant Governor respectively. Following a 1962 plane crash which claimed the life of Governor Nutter, Babcock acceded to the Governorship. Governor Babcock submitted his first executive budget for

the fiscal years of 1964 and 1965.² The first Babcock budget recommended 8,119.75 FTE.³ In the next thirteen years the recommended FTE level climbed to 14,004.94 FTE in the budget request for fiscal year 1977. The recommended FTE levels from 1964 to 1977 are shown in Table 4 and Figure I.

Table 4
Executive Budget FTE Recommendations

<u>Fiscal Year</u>	<u>FTE Recommendation</u>
1977	14,004.94
1976	14,104.04
1975	12,666.34
1974	12,297.56
1973	13,035.59
1972	12,877.27
1971	11,258.52
1970	10,996.94
1969	10,039.14
1968	9,728.12
1967	9,086.64
1966	8,912.79
1965	8,199.18
1964	8,119.75

Table 4 and Figure I illustrate state government FTE levels increased more during the Babcock administrations, particularly in Governor Babcock's last six years, than during the two administrations which followed. For example, Governor Judge's 1977 fiscal year recommendation of 14,004.94 FTE is 2,746.42 FTE or, 24.4% greater than Governor Babcock's FTE recommendation in 1971. However, Governor Babcock's 1971 recommendation of 11,258.52 FTE was 3,059.34 FTE larger than his 1965 budget request. From 1965 to 1971 Governor Babcock's FTE recommendations increased 37.3%. Table 5 below illustrates the six year FTE growth totals of the Babcock administration compared with the six budget years of the Anderson and Judge administrations which followed.

² Executive Budgets are two years behind the opening date of an administration. Thus, Governor Babcock's first budget was for fiscal years 1964 and 1965 even though he was elected in 1960 and took office (initially as Lieutenant Governor) in 1961. Babcock's last budget recommendations were for fiscal years 1970 and 1971 even though he was defeated in the 1968 election. Each new administration spends its first two years working under budget recommendations of the preceding administration.

³ Recommended FTE levels have been used instead of actual FTE levels to exclude any additions made by the legislature and changes of administration.

Table 5

State Government FTE Growth 1965-1971 Compared With 1971-1977

Babcock FY71 FTE Recommendation	11,258.52
Babcock FY65 FTE Recommendation	<u>8,199.18</u>
Increase, number	3,059.34
Increase, percent	37.3%
Average FTE increase per year	509.89
Judge FY77 FTE Recommendation	14,004.94
Babcock FY71 FTE Recommendation	<u>11,258.52</u>
Increase, number	2,746.42
Increase, percent	24.4%
Average FTE increase per year	457.74

Source: Executive Budget Books.

The current growth in state government employment, which has been the subject of great public and political interest, is less in absolute terms and only about three-fifths as great in percentage terms as growth during the preceding six year period. Moreover, much government growth during the 1970's can be attributed to new government programs. As the next section will show, government growth attributable to the expansion of existing services has been very modest.

New Programs in State Government

In the six year period extending from fiscal year 1971 and inclusive of fiscal year 1977, 50 new programs were added to state government. These programs accounted for 1,749 new FTE. (See appendix I for a list of programs and their FTE levels). The largest program, Property Valuation (410 FTE), was added by public approval of Montana's 1972 Constitution. When adjustment is made for "new program" FTE's, the rate of expansion for existing government services is modest as illustrated in Table 6.

Figure I
Executive Budget FTE Recommendation

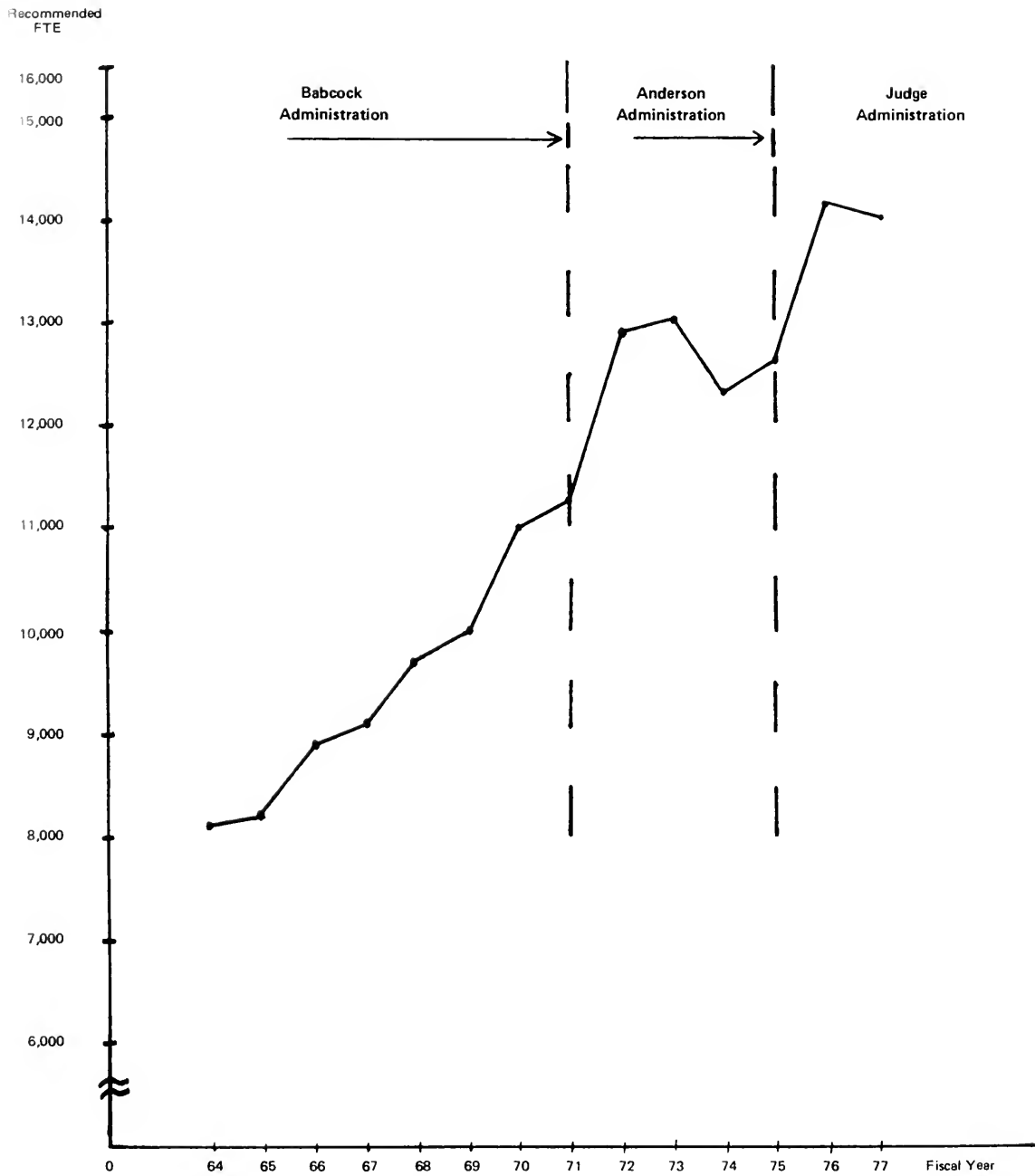


Table 6
Program Expansion - FTE Growth

FY71 - FY77 Total FTE Growth	2,746.42
New Program FTE	<u>1,759</u>
Difference, due to program expansion	987.42
Program expansion, rate per year	1.4%

Another way of measuring the amount of growth that has occurred in state government from FY71 to FY77 is to compare recommended FTE increases with an FTE level which would have occurred if state government FTE had increased 1.5% per year to keep pace with population growth. Under these circumstances, the 1977 fiscal year FTE would be 12,310.55 . The difference between this level and that actually recommended for FY 1977 can be attributed to new programs. Figure II illustrates the relative portions of FTE growth attributable to new programs and program expansion and, compares those portions with the FTE growth possible had government growth maintained a rate of change equivalent to population growth. Figure II clearly shows there has been less growth due to program expansion than might be expected. There has been a measure of economy and efficiency in state government during the past six years.

Comparisons with Other States.

Data compiled from U.S. Bureau of Census reports on state government employment show the amounts of FTE growth in Montana and neighboring states. The data are summarized in tables seven, eight, and nine.

Table seven illustrates state FTE growth for the period 1965 to 1975. Compared with nine other mountain and northern plains states, Montana's growth ranked seventh. Montana's growth was surpassed by Arizona, Colorado, Idaho, Nevada, New Mexico, and Utah. Only North Dakota, South Dakota, and Wyoming maintained levels of FTE growth below Montana. These three states also lagged behind Montana in population growth during the 1960's. North and South Dakota actually lost population during that decade yet their state governments continued to grow.

Figure II

Components of FTE Growth

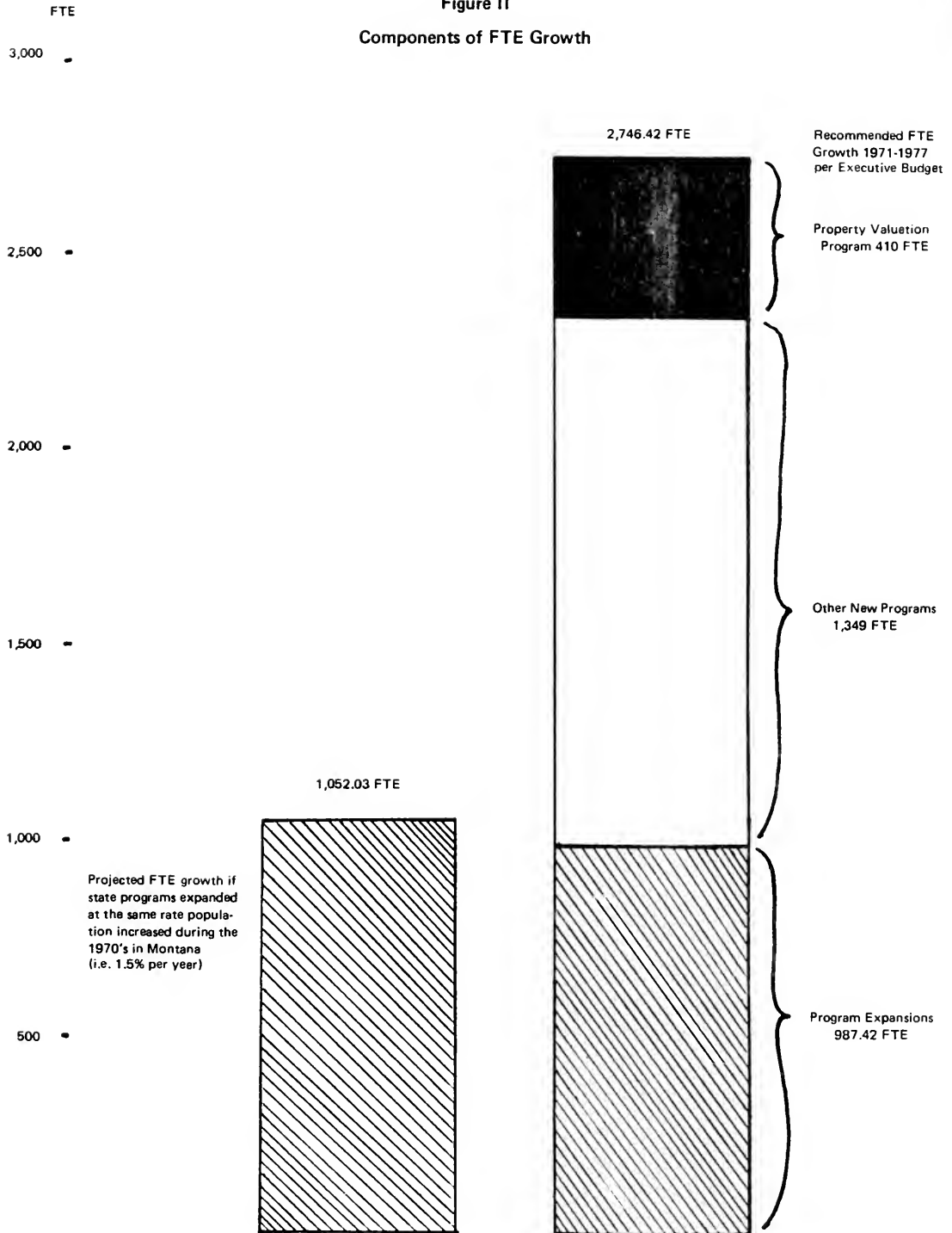


Table 7
State Government FTE Comparisons
1965-1975

	State FTE Oct. 1965	State FTE Oct. 1975	FTE Change (Number)	FTE Change (Percent)	Rank Percent Change
Montana	9,553	15,285	5,732	+60.0	7
Arizona	16,339	31,731	15,392	+94.2	2
Colorado	28,895	41,169	17,274	+72.3	5
Idaho	8,523	14,929	6,406	+75.2	4
Nevada	4,772	9,561	4,789	+100.0	1
New Mexico	15,006	25,656	10,650	+71.0	6
North Dakota	8,205	10,642	2,437	+29.7	10
South Dakota	8,348	11,548	3,200	+38.3	9
Utah	13,252	24,943	11,691	+88.2	3
Wyoming	5,447	7,787	2,340	+43.0	8
Region VIII*	68,700	111,374	42,674	+62.1	
Mountain Census Region **	96,787	171,061	74,274	+76.7	
United States	1,751,293	2,742,004	990,711	+56.6	

* Montana, Colorado, North Dakota, South Dakota, Utah, Wyoming

** Montana, Arizona, Colorado, Idaho, Nevada, New Mexico, Utah, Wyoming

Source: U. S. Department of Commerce, Bureau of the Census, Public Employment in 1965, GE 65, No. 2, Table 5, April 1966; Public Employment in 1975, GE 75, No. 1, Table 6, June 1976

Table seven also illustrates that Montana's FTE growth compared favorably with regional and national averages. Montana placed below the average for states in Federal Region VIII and the Mountain Census Division. Montana was only slightly above the national average.

Table eight, which summarizes FTE growth for the period 1970 to 1975 amplifies and reinforces conclusions drawn for the ten year period of 1965 to 1975. Compared with neighboring states, Montana's increase in state government FTE level is very favorable. Montana ranked 6th among the ten states which make up Region VIII and the Mountain Census Division. Again, Montana's FTE growth was below both regional averages and only slightly above the national average. Montana has not witnessed an exceptionally high level of state government growth for the past five or ten years. Montana state government employment has grown less than most of its neighboring states and is nearly equal to the national average.

Table 8
State Government FTE Comparisons
1970-1975

	State FTE Oct. 1970	State FTE Oct. 1975	FTE Change (Number)	FTE Change (Percent)	Rank Percent Change
Montana	12,689	15,285	2,596	+20.5	6
Arizona	21,953	31,731	9,778	+44.5	3
Colorado	35,568	41,169	5,601	+15.6	7
Idaho	10,767	14,929	4,162	+38.7	4
Nevada	6,561	9,561	3,000	+45.7	2
New Mexico	18,877	25,656	6,779	+35.9	5
North Dakota	10,202	10,642	440	+ 4.3	10
South Dakota	10,187	11,548	1,361	+13.4	9
Utah	16,710	24,943	8,223	+49.3	1
Wyoming	6,797	7,787	990	+14.6	8
Region VIII*	92,153	111,374	19,221	+20.9	
Mountain Census Division**	129,922	171,061	41,139	+31.7	
United States	2,301,963	2,742,004	440,041	+19.1	

* Montana, Colorado, North Dakota, South Dakota, Utah, Wyoming

** Montana, Arizona, Colorado, Idaho, Nevada, New Mexico, Utah, Wyoming

Source: U.S. Department of Commerce, Bureau of the Census, Public Employment in 1970, GE 70, No. 1, Table 5, April 1971; Public Employment in 1975, GE 75, No. 1, Table 6, June 1976.

Table nine presents information on the number of state government FTE's per thousand population in 1970 and 1975. In 1970, Montana had the third highest number of state FTE's per thousand population when compared with nine neighboring states. By 1975, Montana slipped to fourth position. During the 1970-1975 period Montana state government did not grow as much as its neighbors. Montana's 11.8 percent increase in FTEs was lower than that of Arizona, Idaho, Nevada, New Mexico, and Utah as well as the averages for the Mountain Census Division and nation as a whole.

Table 9

State Government FTE Comparison
FTE per 1,000 population

	1970 FTE per 1,000 pop.	1975 FTE per 1,000 pop.	1970-1975 Change (Percent)	Rank Percent Change
Montana	18.27	20.43	+11.8%	6
Arizona	12.40	14.27	+15.1%	5
Colorado	16.15	16.25	+ 0.6%	10
Idaho	15.11	18.21	+20.5%	2
Nevada	13.42	16.15	+20.3%	4
New Mexico	18.58	22.37	+20.4%	3
North Dakota	16.51	16.76	+ 1.5%	9
South Dakota	15.31	16.91	+10.5%	7
Utah	15.77	20.68	+31.1%	1
Wyoming	20.45	20.82	+ 1.8%	8
Region VIII*	16.52	18.02	+ 9.1%	
Mountain Census Division**	15.69	17.74	+13.1%	
United States	11.32	12.87	+13.7%	

* Montana, Colorado, North Dakota, South Dakota, Utah, Wyoming

** Montana, Arizona, Colorado, Idaho, Nevada, New Mexico, Utah, Wyoming

Source: Table eight; U.S. Department of Commerce, Bureau of the Census, U.S. Census of Population: 1970 Vol. 1 Characteristics of the Population, Part 1. United States Summary, Section 1 Table 14., Bureau of the Census, Population Estimates and Projects, Series P-25, No. 615, November 1975.

Table nine also demonstrates that states with large land areas and small populations have relatively high rates of per capita state government employment. Each of the ten states shown on table nine exceed the national average of number of FTE's per 1,000 population. Montana's high rate of state employment is not unusual for the western part of the United States.

Comparisons with Other Economic Sectors in Montana

The data presented in Table ten shows employment growth by economic sector over the last 15 years. During the 1960s state government employment ⁴ was the fastest growing sector of the economy and was increasing about five times as fast as total employment. In the last five years

⁴ Labor statistics report total employees on the payroll and thus give full weight to part time employees. These figures will therefore be higher than Full-Time Equivalent (FTE) figures which combine part-time employees into 8 hour per day equivalent employees.

Table 10

MONTANA EMPLOYMENT BY ECONOMIC SECTOR
(Thousands of Workers)

<u>YEAR</u>	<u>STATE GOVERNMENT</u>	<u>PRIMARY INDUSTRIES*</u>	<u>CONSTRUCTION</u>	<u>TRANSPORTATION & PUBLIC UTILITIES</u>	<u>SERVICES**</u>	<u>TRADE</u>	<u>TOTAL</u>
1960	10.1	85.7	11.0	10.0	30.0	40.5	236.0
1965	11.8	84.5	12.0	10.0	33.3	42.9	246.5
1970	15.9	85.1	11.0	10.8	41.8	48.1	262.7
1975	18.5	82.8	12.5	13.1	55.1	59.5	305.1
<u>CHANGE %</u>							
1960-1965	16.8	-1.4	9.1	0	11.0	5.9	4.4
1965-1970	34.7	0.7	-8.3	8.0	25.5	12.1	6.6
1970-1975	16.4	-2.7	12.0	21.3	31.8	23.7	16.1

* Primary Industries - Agriculture, Federal Government, Mining, Manufacturing and Railroad

** Includes Finance, Insurance and Real Estate

... Sector figures will not add up to due to exclusion of sectors for local government employment and miscellaneous non-agricultural employment.

Source: Annual Statewide Labor Force Reports, Employment Security Division, Department of Labor and Industry
in cooperation with the U.S. Bureau of Labor Statistics.

growth in state employment has decreased from 4.6 percent per year in the 60s to 3.1 percent per year from 1970 through 1975. The most notable change, however, is in the relationship between growth in state employment and growth in other sectors. Between 1970 and 1975 state employment increased faster than only the primary industries and construction, half as fast as services, and much slower than trade and transportation and public utilities. In relation to total employment growth, state government employment growth was only slightly higher. Again, the data illustrate that growth of state government has been at reasonable levels in the 1970's.

Summary

Montana state government has not been increasing extraordinarily in recent years.

A review of historical growth trends, comparisons with other states, and comparisons with other sectors of the Montana economy does not support the common conception of "runaway government growth".

In fact, just the opposite is the case. During the 1970's growth in state government has actually slowed. Current growth rates are much more closely related to population and private sector employment growth than during the 1960's. Governments in neighboring states have been and continue to increase at a pace exceeding Montana.

The period 1960 to 1970 saw Montana state government make its largest employment gains. Government growth in that period was also out of phase with population and private sector employment growth trends. Current reaction against government growth in Montana is at least five years but, more like ten years late.

Personal Income

One of the opening premises of this report stated:

Increases in state government tax collections should be related to the growth of the state's economy.

The most comprehensive economic indicator used to assess change in a state's economy is total personal income.

Table 11 shows the growth of total personal income in Montana.

Table 11
Total Personal Income in Montana

Calendar Year	Total Personal Income (Millions of Dollars)
1975	4,065.0
1974	3,644.0
1973	3,376.0
1972	2,875.0
1971	2,575.0
1970	2,349.0
1969	2,172.0
1968	2,039.0
1967	1,926.0
1966	1,842.0
1965	1,714.0

Source: U.S. Department of Commerce, Bureau of the Census, Governmental Finances, Series GF No. 5 (for each year), Table 26; U.S. Department of Commerce, Bureau of Economic Analysis, Survey of Current Business, Vol. 55, No. 8, August 1975 and Vol 56, No. 4, April 1976.

In the past ten years total personal income has increased almost 2.4 times above its 1965 level. When adjusted for inflation, total personal income in 1975 was 40% greater than in 1965. Thus, Montanan's have gained 40% more purchasing power in the last ten years.

The growth of personal income is closely related to growth in government. As government adds employees, programs, or expands existing services it incurs increased costs. However, if the economy is also expanding, increased revenues are readily available to pay for government expansion. This has been the case in Montana.

Increases in Montana State Government Revenues

In the past ten years total state collected revenues have more than tripled. A change of this magnitude deserves close scrutiny. Table 12 presents data on Montana state government revenues for fiscal years 1965, 1970, and 1975. Detailed data for each year are presented in Appendix II.

Table 12
State Collected Revenue Fiscal Years 1965, 1970, 1975
(millions of dollars)

Fiscal Year	Total State Collected Revenue	Tax Collections				Miscellaneous Collections*
		Individual Income	Corporate Income	Property	Other *	
1975	327.7	88.6	22.1	10.6	111.4	95.0
1970	167.5	38.9	9.6	8.1	72.2	38.6
1965	105.0	16.2	5.9	5.4	52.1	25.4
<u>Change</u>						
FY70-FY75	160.2	49.7	12.5	2.5	39.2	56.4
FY65-FY70	62.5	22.7	3.7	2.7	20.1	13.2
<u>Percent Change</u>						
FY70-FY75	96%	128%	130%	31%	54%	146%
FY65-FY70	60%	140%	63%	50%	39%	52%

* See Appendix II for explanation of items included in these groupings.

Source: U. S. Department of Commerce, Bureau of the Census, Governmental Finances, Series GF, No. 5 (for each year), Table 17. Fiscal Year 1975 only, from Bureau of the Census, State Tax Collections for 1975, GF 75 No. 1. Income tax data from Montana Department of Revenue

Table 12 illustrates the growth of state collected revenues. However, the levels and changes reported in Table 12 do not account for growth in the Montana economy. Table 13 shows the levels and degree of change of state collected revenues adjusted to changing levels of total personal income.

Table 13

State Collected Revenue Fiscal Years 1965, 1970, 1975

(dollars per \$1,000 of total personal income*)

Fiscal Year	Total State Collected Revenue	Tax Collections				Miscellaneous Collections**
		Individual Income	Corporate Income	Property	Other**	
1975	\$90.0	\$24.3	\$6.1	\$2.9	\$30.6	\$26.1
1970	76.0	17.6	4.4	3.7	32.8	17.5
1965	66.0	10.2	3.7	3.4	32.7	16.0
<u>Change</u>						
FY70-FY75	\$ 14.0	\$ 6.7	\$ 1.7	\$ - .8	\$ - 2.2	\$ 8.6
FY65-FY70	10.0	7.4	.7	.3	.1	1.5
<u>Percent Change</u>						
FY70-FY75	18%	38%	39 %	- 22 %	- 7 %	49 %
FY65-FY70	15%	73%	19%	9 %	0 %	9 %

* Calculations of revenue per \$1,000 of total personal income derived by dividing fiscal year revenue collection by preceding calendar year total personal income.

** See Appendix II for explanation of items included in these groupings.

Source: U.S. Bureau of the Census, Governmental Finances, Series GF No. 5 (for each year), Table 17. Fiscal Year 1974-75 only from State Tax Collections in 1975, GF 75 No. 1. Income tax data from Montana Department of Revenue.

Revenue sources showing substantial increase were: (1) miscellaneous collections - mainly the result of a twelvefold increase in investment earnings in the general fund and a threefold increase in investment earnings on dedicated funds (see Appendix II); (2) corporate income tax - resulting largely from increased collections from out-of-state companies doing business in Montana; and (3) individual income tax - resulting partly from a projected 23% increase in taxpayers from 1970 to 1975. Increases in property and other taxes failed to keep pace with growth in the economy.

Table 13 also compares revenue changes in the last five years of the 1960's with the first five years of the 1970's. There are some striking contrasts between the two periods. First, increases in income tax were borne disproportionately by the individual as opposed to the corporate sector. Between 1965 and 1970 individual income taxes increased almost four times as much as the corporate sector. From 1970 to 1975 both sectors grew by approximately the same amount reflecting greater parity between individual and corporate taxpayers. Second, miscellaneous collections mainly investment earnings, increased five times as much from 1970 to 1975 as in the previous five years. Investment earnings are a very desirable way to increase state revenue

because they do not come from tax collections. Finally, property and other taxes increased from 1965 to 1970 but declined in the period from 1970 to 1975. Montanan's are paying proportionately less of their income in state property taxes than they were a few years ago.

Comparisons with Other States

Table 14 presents data from the U.S. Bureau of the Census on tax collections in Montana and neighboring states for the past five years. Notice that six of the comparison states had a greater increase in state tax collections than did Montana. Montana's increases have approximated regional and national averages.

Also, Montanan's pay less tax than do most of their neighbors. Montana's state tax of \$63.88 per \$1,000 of personal income is lower than that of seven neighboring states. The Montana tax rate is also lower than regional averages for Federal Region VIII and the Mountain Census Division as well as the United States as a whole.

Property Tax

It is an accepted truism that "everyone complains about taxes." In Montana, the focal point for this criticism is property tax. It is frequently pointed out that "Montana ranks fourth nationally in property taxes collected per \$1,000 of personal income"⁴ or, "Montana ranked sixth in the nation in per capita property tax collections"⁵.

Montanans pay relatively high property taxes but, the largest portion of property tax is paid to local governments (i.e. cities, counties, and school districts) and not state government. In 1975 the 10.6 million dollars of state property tax accounted for only 3.2% of total state collected revenues and 4.6% of total state tax collections. (see Tables 12 and 14) Moreover, property tax collections per \$1,000 of total personal income have declined in the period since 1970.

⁴ Great Falls Tribune. May 2, 1976.

⁵ Great Falls Tribune, February 16, 1976.

Table 14

STATE TAX COLLECTIONS: Fiscal Years 1970 and 1975

	Amt. (\$Mil.)		Change		Tax Per \$1,000 of TPI*		Change	
	FY70	FY75	Amt.	%	FY70	FY75	Amt.	%
MONTANA	128.8	232.7	103.9	80.7	58.44	63.88	5.44	9.3
Arizona	474.3	938.4	464.1	97.8	81.62	85.01	3.39	4.2
Colorado	470.1	866.4	396.3	84.3	61.45	62.94	1.49	2.4
Idaho	155.9	298.1	142.2	91.2	72.01	75.87	3.86	5.4
Nevada	149.1	266.8	117.7	78.9	72.73	77.40	4.67	6.4
New Mexico	266.4	519.6	253.2	95.0	92.63	111.93	19.30	20.8
North Dakota	121.6	263.6	142.0	115.8	65.73	74.13	8.40	12.8
South Dakota	112.7	171.1	58.4	51.8	56.95	53.55	- 3.40	- 6.0
Utah	251.6	398.8	147.2	58.5	80.80	76.00	- 4.80	- 5.9
Wyoming	84.5	154.3	69.8	82.6	75.11	79.54	4.43	5.9
Region VIII	1,169.3	2,086.9	917.6	78.5	65.25	66.58	1.33	2.0
Mtn. Census Div.	1,980.7	3,675.1	1,694.4	85.5	73.37	77.12	3.75	5.1
U.S.	47,904.7	80,141.3	32,236.6	67.3	63.75	69.59	5.84	9.2

* Total Personal Income

Source: U. S. Bureau of the Census, State Tax Collections, Series GF No. 1, Table 3. Total Personal Income for States from Survey of Current Business, Vol. 55, No. 8, August 1975, p. 10.

State property tax levies have fluctuated considerably in the last few years although they remain quite low. Six mills are levied to support the university system. Statewide permissive levies can also be assessed, however, this form of taxation has not been used since 1974. For both fiscal 1975 and 1976, the Montana Taxpayers Association show 6 and 5.6 mills respectively as being levied for state purposes. The state levies on property are only a small part of the total property tax bill. The largest portions go to support city, county, and school district operations. Each locality levies its own taxes and there is great variation from place to place within the state. Levies ranging from 200 to 250 mills are common in the state's urban areas. Accordingly, 6 mills levied by the state accounts for 2-3% of the total property tax bill.

Finally, some Montana tax rates may, indeed, rank high when compared with other states. Montana is said to rank 12th in per capita income tax collections.⁶ However, Montana is also tied for 50th in general sales tax collections. The state has no sales tax, 45 other states do. Overall, state tax rates compare very favorably. IN 1975, MONTANA RANKED 40TH IN PER CAPITA STATE TAX COLLECTIONS.

Table 15
Per Capita State Tax Collections 1975

1 Hawaii	\$665.37	26 Indiana	349.08
2 Delaware	580.99	27 Oregon	346.60
3 Alaska	578.01	28 North Carolina	348.64
4 Minnesota	515.09	29 Maine	348.46
5 New York	493.33	30 Connecticut	342.13
6 Wisconsin	464.69	31 Colorado	341.92
7 New Mexico	452.97	32 Mississippi	339.89
8 California	451.48	33 South Carolina	339.45
9 Nevada	450.71	34 Kansas	339.23
10 Washington	438.51	35 Virginia	334.75
11 Maryland	422.33	36 Florida	334.00
12 Arizona	421.94	37 Utah	330.68
13 North Dakota	415.18	38 Oklahoma	325.86
14 Wyoming	412.48	39 Georgia	314.21
15 West Virginia	410.77	40 MONTANA	311.11
16 Louisiana	403.24	41 Arkansas	308.43
17 Vermont	397.02	42 Alabama	307.50
18 Illinois	395.65	43 Texas	297.18
19 Pennsylvania	386.81	44 New Jersey	287.17
20 Michigan	380.69	45 Ohio	282.48
21 Massachusetts	380.67	46 Nebraska	274.78
22 Kentucky	378.01	47 Missouri	273.56
23 Rhode Island	377.30	48 Tennessee	272.35
24 Iowa	370.02	49 South Dakota	250.55
25 Idaho	363.50	50 New Hampshire	210.77

Source: U. S. Department of Commerce, Bureau of the Census, State Tax Collections in 1975, GF 75, No. 1.

⁶ Great Falls Tribune, February 6, 1976.

Summary

In the past ten years the Montana economy has been expanding. State government, as measured by revenues and tax collections, has grown accordingly although the "tax mix" or sources of revenue have changed their relative shares of importance. During the 1970's the relative shares paid by property tax declined while investment earnings increased. Compared with other states, Montana enjoys a relatively advantaged tax position. Among ten western states, Montana ranks 8th in taxes per \$1,000 of personal income and 40th, nationally, in state taxes per capita.

EXPENDITURES

Changes in Montana State Government Expenditures

In the last few years Montana State government has been more than able to contain its expenditures within the revenues collected, and, in fact, has generated a growing budget surplus. Table 16 shows the growth of state revenues, state expenditures, surpluses and deficits from fiscal 1965 to 1975.

Table 16
Montana State Government
Revenues and Expenditures

<u>Fiscal Year</u>	<u>Total General Revenues (millions of dollars)</u>	<u>Total General Expenditures (millions of dollars)</u>	<u>Surplus or (deficit)</u>
1975	516.6	475.8	40.8
1974	444.8	408.4	36.4
1973	413.2	380.7	32.5
1972	387.6	370.7	16.9
1971	322.7	347.0	(24.3)
1970	287.0	299.7	(12.7)
1969	238.6	249.9	(11.3)
1968	228.7	233.1	(4.4)
1967	210.9	209.2	1.7
1966	203.7	202.5	1.2
1965	187.3	189.7	(2.4)

Source: Appendix II and III

In 1975, state government expenditures were 2.5 times higher than their 1965 level. However, when adjusted for inflation, government expenditures only increased 28% in the 1965-1975 period. During this same time period, Montana saw total personal income adjusted for inflation increase 40%.⁷ Thus, government expenditures have not risen as fast as the ability to pay for such increases. In both state government expenditures were equal to approximately 11% of Montana's total personal income.

⁷ See preceding section entitled Revenue

Government Functions

Two detailed tables, located in Appendix III summarize and compare state government expenditures for the period 1965 to 1975. In the past five years, Montana state total per capita general expenditures⁸ have increased 8% more than inflation compared with a 21% increase from 1965 to 1970. Relative to inflation, from 1970 to 1975 transfers to local governments, primarily assistance for local education, increased 27% more than inflation, health and welfare payments climbed 18%, administration and financial control climbed 100%, and education increased 13%. On the other hand, interest payments dropped 33%, highways expenditures were down 34%, and direct general expenditures⁹ decreased 5%. The fastest growing area of functional expenditure in percentage terms was administration and financial control. Since fiscal 1970, major additions were made in the legislature's fiscal staff and agency accounting was centralized. These features substantially account for the increased costs of administration and financial control.

Compared with expenditure patterns of the 1965-1970 period, the more recent five year time span (i.e. 1970-1975) shows a consistent pattern of reduced growth rates for every function except administration and financial control (i.e. legislative and judicial branches, elected officials, and centralized administrative functions such as accounting, purchasing, data processing, and personnel.)

Comparisons with Other States

Table 17 presents data from the U. S. Bureau of the Census on direct state general expenditures, in Montana and neighboring states. The most recent published census data is for fiscal year 1974. As such, Table 17 illustrates patterns of expenditure change for a four year period beginning in 1970. The table clearly illustrates Montana's low rate of expenditure growth. Of the ten states in this region, only Wyoming's direct state expenditures grew less than those in Montana. Expenditure growth of over 40% was not unusual in the western United States and Montana's growth of 28.4% compares very favorably with other states in the region.

⁸ General expenditures are all expenditures of a government other than utility expenditure, liquor stores expenditure, and insurance-trust expenditure.

⁹ Direct general expenditures are general expenditures minus intergovernmental transfers such as payments made by the state to a local school district under the foundation program.

Table 17

State Direct General Expenditures Fiscal 1970 and 1974

	Expenditures Amounts (millions of dollars)		Change	
	FY70	FY74	\$ Amt.	%
MONTANA	242.9	311.8	68.9	28.4
Arizona	445.3	690.1	244.8	55.0
Colorado	557.3	845.5	288.2	51.7
Idaho	209.7	321.8	112.1	53.5
Nevada	166.6	240.4	73.8	44.3
New Mexico	350.4	484.6	134.2	38.3
North Dakota	203.0	297.2	94.2	46.4
South Dakota	202.1	293.5	91.4	45.2
Utah	357.3	483.0	125.7	35.2
Wyoming	147.7	176.4	28.7	19.4
Region VIII	1,710.3	2,407.4	697.1	40.8
Mtn. Census Div.	2,477.2	3,553.6	1,076.4	43.5
U.S.	48,749.3	73,950.2	25,200.9	51.7

Source: U.S. Bureau of the Census, Governmental Finances, Series GF No. 5, Table 18.
Data for fiscal year 1975 are not available at this time.

When adjustments are made for inflation and population growth, Montana's position is similarly advantaged. (see Table 18) More than half the states in this region experienced declines in per capita direct general expenditures adjusted for inflation, with Montana and Wyoming leading the way. Montana's drop of 8.5% was substantially greater than averages for Region VIII, the Mountain Census Division, and the United States. Thus, per capita state direct general expenditures, adjusted for inflation, are dropping in Montana compared with increases in some neighboring states and in the country as a whole.

Summary

Growth of Montana State government expenditures though substantial in absolute numbers of dollars are really quite modest when the distorting effects of inflation are controlled. Although, government expenditures have increased in non-inflated terms during the past ten years, total personal income has also

climbed leaving the ratio of total expenditures to total personal income unchanged. Compared with other western states and the nation as a whole, Montana's changing expenditure pattern compares very favorably. Per capita state direct general expenditures have actually declined in Montana during the past few years.

Table 18
Per Capita State Direct General Expenditures Fiscal Years 1970 and 1975
(adjusted for inflation)

	Expenditure Per Capita Amounts (Constant \$, 1972=100)		Change	
	FY70	FY74	\$ Amt.	%
MONTANA	\$ 412	\$ 377	-35	- 8.5
Arizona	295	284	- 11	- 3.7
Colorado	297	299	+ 2	+ 0.7
Idaho	347	360	+ 13	+ 3.7
Nevada	401	373	-28	- 7.0
New Mexico	406	386	-20	- 4.9
North Dakota	387	416	+ 29	+ 7.5
South Dakota	358	384	+ 26	+ 7.3
Utah	397	365	-32	- 8.1
Wyoming	524	433	-91	-17.4
Region VIII	361	351	- 10	- 2.8
Mtn. Census Div.	352	335	- 17	- 4.8
U.S.	282	312	+ 30	+10.6

Source: U.S. Bureau of the Census, Governmental Finances, Series GF No. 5, Table 18. Population — U.S. Bureau of the Census, Estimates of the Population of the States, Series P-25, No. 615, November 1975. Constant Dollar Calculations — Gross National Product Implicit Price Deflator for State and Local Government Purchases, Survey of Current Business, Vol. 56, No. 1, Part II, January 1976, pp. 84-91.

CONCLUSION

Public concern or fear about the size and rate of Montana state government growth is not substantiated by the data. State employment is increasing but at a rate below that of the 1960's. The current growth pattern is much more in line with state population and private sector employment trends than was previously the case. Government revenues and expenditures have also climbed but by relatively small amounts when consideration is given to inflation. Total personal income has increased during the past decade allowing Montanan's increased government service without onerous increases in taxes. While Montana state government has grown, the growth has been modest and controlled, well within the state's need and capacity to expand.

APPENDIX I

New Programs FY 71 - FY 77

<u>Program Description</u>	<u>FTE</u>
Property Valuation - 383 employees assumed from counties plus 27 added to create an office in each county	410
C.E.T.A. - Federally funded public employment program DNR&C - 131; Livestock - 5; Ag - 3; Lands - 1	140
Legislative Auditor - Program Evaluation	7
Legislative Fiscal Analyst	7
Legislative Council	22
Environmental Quality Council	8
Consumer Council	4
Central Payroll - Auditor	4
Commission on Local Government - Governor	20
Citizen's Advocate - Governor	2
Lieutenant Governor	10
Program Planning - OBPP	7
Human Services - OBPP	10
Special Education - OSPI	7
State Budgeting and Accounting System - Management Systems Division	7
Mass Appraisal, SBAS - Data Processing Division	54
Personnel and Labor Relations	34
Duplicating, Mail Delivery, Security, and Maintenance (not funded) - General Services Division	45
Microwave Communications (not funded)	16
Investments, Insurance, Records Management	23
State Tax Appeals Board	7
Marketing and Transportation, Pesticide Control, Apiary Regulation - Agriculture	27

Consumer Protection - Business Regulation	3
Private Post-Secondary Education - Business Regulation .	2
Uniform Accounting Systems for Local Government - DCA	12
Housing Division - DCA	4
Old West Regional Commission	2
Human Resources District Coordinators - DCA	7
Educational Broadcasting Commission - Education (Not Funded)	34
Bicentennial Administration - Education	4
DHES - Environmental Health - 71; Family Planning - 23; Emergency Medical Services - 10; Highway Alcohol Determinations - 3; Section 1122 Review - 1	108
Addictive Disease Program - Institutions	37
Community Based Services - Institutions	30
Nursing Home Addition - Veterans Home	18
Special patient care staffing - Warm Springs & Boulder	300
Community Correctional Centers - Board of Pardons	27
Crime Control - Justice	44
Vehicle Inspection	12
Accident Prevention Unit - Highway Patrol	16
Personnel Appeals, Human Rights, Status of Women - Labor Standards Division	14
Safety and Health - Worker's Comp.	30
Mine Land Reclamation - State Lands	17
Land Administration - State Lands	11
Fuel Allocation, Calibration & Maintenance, Shelter Development, Training and Education - Civil Defense	16
Water Rights - DNR&C	45

Utility Siting - DNR&C	27
Youth Development - SRS	18
Developmental Disabilities - SRS	9
Staff Development and Training - SRS	24
Field Services - SRS	<u>7</u>
TOTAL	<u><u>1,749</u></u>

APPENDIX II

GENERAL REVENUE¹ OF MONTANA STATE GOVERNMENT

BY SOURCE: 1964-65 THROUGH 1974-75

(Millions of Dollars)

Fiscal Year	Total General Revenue	Intergovernmental		State Collected Revenue	Tax Collections				Miscellaneous Collections		
									Investment Earnings		
		Federal	Local		Individual Income	Corporate Income	Property	Other ²	Gen. Fund	Other Funds	Other ³
1975	516.6	183.1	5.8	327.7	88.6	22.1	10.6	111.4	12.2	36.4	46.4
1974	444.8	143.0	6.1	295.7	78.8	15.7	22.5	103.0	8.9	26.1	40.7
1973	413.2	165.0	5.9	242.2	77.1	12.1	6.7	91.3	3.4	14.2	37.5
1972	387.6	154.6	5.2	227.8	68.1	11.3	7.5	95.9	1.5	14.6	28.9
1971	322.7	141.0	5.0	176.7	42.4	9.5	8.6	83.9	1.0	13.8	26.1
1970	287.0	115.7	3.8	167.5	38.9	9.6	8.1	72.2	1.0	11.3	26.3
1969	238.6	88.1	3.1	147.3	31.2	8.1	7.6	64.9	.9	9.8	24.8
1968	228.7	83.7	2.6	142.3	29.6	7.3	7.6	60.4	.8	9.2	27.3
1967	210.9	84.9	2.1	123.9	24.2	7.6	5.1	55.9	.7	8.1	21.6
1966	203.7	80.6	2.3	120.8	21.1	7.0	7.3	55.8	.5	7.3	21.8
1965	187.3	80.5	1.9	105.0	16.2	5.9	5.4	52.1	.6	6.4	18.4

¹ Excludes insurance trust revenues (unemployment compensation, worker's compensation, and employee retirement) and liquor store revenues.

² Other Taxes (FY1974-75 Collections in \$Millions): Fuel \$36.5; Alcohol and Tobacco \$18.9; Insurance \$8.3; Utilities \$3.0; Inheritance \$5.4; Severance \$14.7; Hunting and Fishing License \$6.0; Motor Vehicle and Operators License \$10.4; Alcoholic Beverage License \$1.2; Occupation and Business License \$3.6; Fire Protection \$0.5; Other \$2.9 – Department of Revenue.

³ Other Miscellaneous Collections (FY1974-75 Collections in \$Millions): Permits \$2.2; Service Fees \$13.1; Fines \$1.2; Sale of Documents, Merchandise and Property \$10.8; Rentals, Leases and Royalties \$19.1 – Financial Report 1974-75.

Source: U.S. Bureau of the Census, Governmental Finances, Series GF No. 5 (for each year), Table 17. Fiscal Year 1974-75 only from State Tax Collections in 1975, GF 75 No. 1 and unpublished U.S. Bureau of Census data. Income tax data from Montana Department of Revenue.

APPENDIX III
Part I
GENERAL EXPENDITURE OF MONTANA STATE GOVERNMENT
BY FUNCTION: 1965 THROUGH 1975
(Millions of Dollars)

Fiscal Year	Total General Expend.	Transfers To Local Govt.	Direct General Expend.	Capital Outlays				Operations					Admin. & Enforcement Control	Interest on Debt	Other 2
				Highway	Education	Health	Highway	Education	Health	Public Welfare	Natural Resources	Law Enforcement			
1975	475.8	113.5	362.3	67.4	7.0	1.1	24.6	89.6	26.3	50.9	27.6	4.7	24.4	3.4	35.4
1974	408.4	96.5	311.8	67.3	10.1	1.0	15.3	72.1	19.0	47.2	23.8	4.3	19.1	4.2	28.4
1973	380.7	77.1	303.7	91.7	9.1	1.5	12.6	68.0	16.2	43.1	18.9	3.9	10.9	4.2	23.8
1972	370.7	68.1	302.5	104.1	7.5	0.4	13.1	65.6	14.4	39.3	19.2	3.5	11.3	5.0	20.2
1971	347.0	58.4	288.6	98.0	14.7	1.6	11.6	63.2	13.6	34.7	16.9	3.0	10.4	3.9	17.8
1970	299.7	56.7	242.9	78.4	6.1	1.0	10.3	48.1	11.9	28.7	16.1	2.6	7.8	3.4	18.6
1969	249.9	46.7	203.2	68.6	9.1	1.2	9.5	40.9	10.7	23.1	14.0	2.2	7.3	3.7	13.0
1968	233.1	44.1	189.0	61.3	12.6	0.5	9.9	39.7	9.8	19.4	12.7	2.1	5.7	3.2	12.2
1967	214.0	37.7	176.3	67.2	10.6	0.4	10.3	31.7	8.2	15.5	11.1	1.7	5.8	2.9	11.0
1966	202.5	32.9	169.5	69.5	8.8	0.4	9.6	29.2	7.5	15.4	10.3	1.9	4.5	2.4	10.3
1965	189.7	30.0	159.8	71.8	5.9	0.2	9.5	26.1	6.8	12.1	9.2	1.7	4.4	1.9	10.1

- 1 Excludes insurance trust expenditures (unemployment compensation, worker's compensation and employee retirement) and liquor store expenditures.
- 2 Other Operating Expenditures (FY 74:75 Expenditures in \$ Millions): Corrections \$9.1; Employment Security \$5.5; Protective Inspection and Regulation \$3.9; Libraries \$0.8; Public Buildings \$0.6; Airports \$0.4; Veterans Services \$2.4; Jail Insurance \$0.1; Other - not falling within any standard census functional category \$12.6.

Source: U. S. Bureau of the Census, Governmental Finances, Series GF No. 5 (for each year), Table 18. Fiscal Year, 1974:75 only derived from state financial reports using Bureau of the Census definitions.

APPENDIX III
Part 2

GENERAL EXPENDITURE OF MONTANA STATE GOVERNMENT
BY FUNCTION: 1965-66, 1969-70, 1973-74
(Millions of Dollars)

<u>Fiscal Year</u>	<u>Total General Expend.</u>	<u>Transfers To Local Govt.</u>	<u>Direct General Expend.</u>	<u>Highways</u>	<u>Education</u>	<u>Health & Welfare</u>	<u>Natural Resources</u>	<u>Admin. & Control</u>	<u>Interest on Debt</u>	<u>Other *</u>
1975	475.8	113.5	362.3	92.0	96.6	78.3	24.6	24.4	3.4	40.1
1970	299.7	56.7	242.9	88.7	54.2	41.6	16.1	7.8	3.4	21.2
1965	189.7	30.0	159.8	81.3	32.0	19.1	9.2	4.4	1.9	11.8
<u>Change</u>										
FY70-FY75	176.1	56.8	119.4	3.3	42.4	36.7	8.5	16.6	0	18.9
FY65-FY70	110.0	26.7	83.1	7.4	22.2	22.5	6.9	3.4	1.5	9.4
<u>Percent Change</u>										
FY70-FY75	59	100	49	4	78	88	53	213	0	89
FY65-FY70	58	89	52	9	69	118	75	77	79	80

PER CAPITA GENERAL EXPENDITURES
(Constant Dollars)

<u>Fiscal Year</u>										
1975	513	122	391	99	104	84	27	26	4	43
1970	509	96	412	151	92	71	27	13	6	36
1965	419	66	353	180	71	42	20	10	4	26
<u>Change</u>										
FY70-FY75	+ 4	+ 26	- 21	- 52	+ 12	+ 13	0	+ 13	- 2	+ 7
FY65-FY70	+ 90	+ 30	+ 59	- 29	+ 21	+ 29	+ 7	+ 3	+ 2	+ 10
<u>Percent Change</u>										
FY70-FY75	+ 8	+ 27	- 5	- 34	+ 13	+ 18	0	+100	-33	+ 19
FY65-FY70	+21	+ 45	+ 17	- 16	+ 30	+ 69	+ 35	+ 30	+50	+ 38

* Includes law enforcement plus items listed in the footnote in Appendix III.

Source: U.S. Bureau of the Census, Governmental Finances, Series GF No. 5 (for each year), Table 18.

